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Attorneys for WestLB, AG

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:)	
)	
EASY STREET HOLDING, LLC, <i>et al.</i> ,)	Bankruptcy Case No. 09-29905
)	Jointly Administered with Cases
Debtors.)	09-29907 and 09-29908
)	
Address: 201 Heber Avenue)	Chapter 11
Park City, UT 84060)	
)	Honorable R. Kimball Mosier
Tax ID Numbers:)	
35-2183713 (Easy Street Holding, LLC),)	[FILED ELECTRONICALLY]
20-4502979 (Easy Street Partners, LLC), and)	
84-1685764 (Easy Street Mezzanine, LLC))	

**REINSTATEMENT AND FOURTH EXTENSION OF STIPULATION AUTHORIZING
USE OF CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363 AND GRANTING
ADEQUATE PROTECTION TO WESTLB, AG**

This Reinstatement and Fourth Extension of the Stipulation Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363 and Granting Adequate Protection to WestLB, AG (this “Reinstatement and Fourth Extension”) is entered into by and among Easy Street,¹ WestLB and Jacobsen National Group (“Jacobsen”) through their counsel of record, with reference to the following facts:

RECITALS

A. Easy Street, together with Easy Street Holding, LLC and Easy Street Mezzanine, LLC, are debtors in possession, having filed voluntary Chapter 11 petitions on September 14, 2009;

B. Easy Street owns and operates certain real property and improvements and related facilities in Park City, Utah commonly known as the Sky Lodge Private Residence Club and Hotel;

C. On or about October 9, 2009, Easy Street and WestLB filed the Stipulation Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363 and Granting Adequate Protection to WestLB, AG [Docket No. 84], as amended by that certain Amendment to Stipulation Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363 and Granting Adequate Protection to WestLB, AG – Amended Exhibit C (Bank Accounts) filed on or about October 13, 2009 (as may have been or may be amended, modified, and extended from time to time, the “Stipulation”) [Docket No. 91];

D. On or about October 14, 2009, the Court entered its Order on Stipulation Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363 and Granting Adequate

¹ Capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in the Stipulation (as defined herein) and the Loan Documents.

Protection to WestLB, AG (the “Original Cash Collateral Order”) [Docket No. 95]. The Original Cash Collateral Order and the Stipulation reflect certain terms, as stipulated by the parties, regarding the use of Cash Collateral;

E. In the course of implementing the Stipulation, WestLB and Easy Street informally agreed to certain new or different terms governing the use of Cash Collateral and on or about November 25, 2009, filed the Joint Motion to Approve Amendments to Stipulation Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363 and Granting Additional Adequate Protection to WestLB, AG (the “Amendment”) [Docket No. 172] to formally incorporate such terms into the Stipulation;

F. On or about December 11, 2009, Jacobsen filed its Jacobsen National Group’s Protective, Conditional, and Limited Response to Joint Motion to Approve Amendments to Stipulation Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363 and Granting Additional Adequate Protection to WestLB, AG (the “Jacobsen Objection”) [Docket No. 210] in response to Easy Street and WestLB’s Amendment, in which Jacobsen proposed (and which Easy Street and WestLB agreed to in the December 14, 2009 hearing), among other things, preservation of at least \$1.7 Million in funds in Easy Street’s Escrow Accounts to remain in segregated accounts with either Wells Fargo or its successor bank. On or about December 15, 2009, the Court entered its Order on Joint Motion to Approve Amendment to Stipulation Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363 and Granting Adequate Protection to WestLB, AG (the “Amendment Approval Order”) [Docket No. 219], which approved in part and continued in part the Amendment, and set a hearing on consideration of the \$1.7 Million Set Aside for January 19, 2010. On or about January 26, 2010, the Court entered

the Order Modifying Order entered December 15, 2009 on Joint Motion to Approve Amendments to Stipulation (the “Modified Amendment Approval Order”) [Docket No. 272], modifying the Amendment Approval Order, which reduced the amount of the \$1.7 Million Set Aside from \$1.7 million to \$600,000 (the “\$600,000 Set Aside”);

G. On or about January 7, 2010, the Court entered the Order on Extension of Certain Deadlines of Stipulation (the “Order on Extension”) [Docket No. 244], approving the Extension of Certain Deadlines filed on December 27, 2009 (the “Extension”) [Docket No. 234], extending certain deadlines, including Easy Street’s use of Cash Collateral through April 30, 2010;

H. On or about May 12, 2010, the Court entered the Order on Second Extension of Certain Deadlines to Stipulation Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. 363 and Granting Adequate Protection to WestLB, AG (the “Second Order on Extension”) [Docket No. 474], approving the Second Extension of Deadlines filed on April 29, 2010 (the “Second Extension”) [Docket No. 457] and resolving the Limited Objection to the Second Extension filed on May 4, 2010 by Jacobsen (the “Jacobsen Limited Objection”) [Docket No. 462];

I. On or about May 28, 2010, WestLB and Easy Street filed the Third Extension of Certain Deadlines to Stipulation Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. 363 and Granting Adequate Protection to WestLB, AG (the “Third Extension”) [Docket No. 521], extending Easy Street’s use of Cash Collateral through June 30, 2010. The Third Extension continued in effect the Court’s prior rulings regarding the \$600,000 Set Aside. On or about May 28, 2010, WestLB and Easy Street filed the Notice of the Third Extension² [Docket No. 522].

² Although the Court has not entered an order on the Third Extension, the five (5) day objection period has expired without objection and the Third Extension is deemed to have been in effect as of the expiration of such period.

J. On or about June 9, 2010, WestLB filed a Notice of Termination of Stipulation Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. 363 and Granting Adequate Protection to WestLB, AG (the “Notice of Termination”) [Docket No. 550], which terminated the Stipulation and Easy Street’s right to use Cash Collateral as of June 15, 2010.

K. On June 16, 2010, Easy Street and WestLB filed their Amended Plan of Reorganization of Easy Street Partners, LLC and WestLB, AG, Dated June 16, 2010 (the “Joint Plan”) [Docket No. 566]. The Joint Plan contemplates, inter alia, the payment to Jacobsen of \$1,330,000 in cash on the effective date of the Joint Plan, which treatment is more fully set forth in Article 5.2 of the Joint Plan. Easy Street and WestLB currently contemplate presenting the Joint Plan for confirmation on June 25, 2010, or as soon thereafter as the Joint Plan can be considered by the Court.

L. This Reinstatement and Fourth Extension contemplates the following: (i) revival and reinstatement of the Stipulation; (ii) revision of the June 2010 budget; (iii) updating of the placeholder July and August 2010 Budgets;³ (iv) elimination of the Carve-Out and provisions pertaining to payment of professionals subsequent to June 15, 2010; (v) extension of certain deadlines through August 31, 2010; and (vi) Jacobsen’s consent to use of a portion of the \$600,000 Set Aside in return for the adequate protection granted to Jacobsen herein.

M. In consideration of the foregoing promises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Easy Street, WestLB

³ Easy Street and WestLB acknowledge and agree that the July and August 2010 Budgets have not been agreed upon and are still subject to final review and change by WestLB. As such, the appended July and August 2010 Budgets are not the final and agreed upon Budgets for such months.

and Jacobsen hereby covenant and agree to the following extensions and related modifications to be effective as of June 18, 2010:

1. Revival and Reinstatement of Stipulation. WestLB and Easy Street agree to the reinstatement of the Stipulation allowing Easy Street's continued use of Cash Collateral, as amended through this Reinstatement and Fourth Extension.

2. Revised and Updated Budgets. The Stipulation is hereby amended by the addition of Exhibit A-1 to read as set forth on Annex I attached hereto, which shall constitute (i) the revised June 2010 Budget and (ii) the temporary placeholder Budgets for July and August 2010 for use of Cash Collateral. Easy Street and WestLB acknowledge and agree that the appended July and August 2010 Budgets have not yet been finalized and are therefore subject to review and updating by WestLB. Upon such review, WestLB shall authorize Easy Street to update this Reinstatement and Fourth Extension with revised July and August 2010 Budgets, which shall constitute the actual July and August 2010 Budgets, until subsequent amendment, if any.

3. Elimination of Carve Out and Payment of Professionals' Fees. The Stipulation is hereby amended by eliminating Paragraph 27 regarding the carve out for payment of professionals and related fees as well as any line-items contained in the Budgets pertaining to the payment of such fees⁴. The elimination of professional fees shall be applied prospectively as to any such fees incurred on or after June 15, 2010, and the carve out pursuant to Paragraph 27 for period prior to June 15, 2010 shall remain unaffected.

⁴ Specifically, (i) monthly professional fees in the amount of \$125,000 to Easy Street and (ii) monthly adequate protection payments of \$100,000 to WestLB shall be subject to this provision.

4. Extension of Deadlines. WestLB and Easy Street have agreed to extend certain deadlines contained in the Stipulation such that the Stipulation will continue to be in full force and effect up to and through August 31, 2010. The expiration for consensual use of the Cash Collateral will be extended by replacing “June 30, 2010” in the fourth (4th) line of Paragraph 15⁵ with “August 31, 2010” and by replacing “June 30, 2010” in the third (3rd) line of Paragraph 32 with “August 31, 2010”.

5. Jacobsen Consent to Use of \$600,000 Set Aside. Based on the fact that Easy Street has a need to utilize some of the \$600,000 Set Aside to pay actual and necessary post-petition expenses and claims in order to insure that Easy Street, its bankruptcy estate and its creditors are able to pay necessary post-petition expenses and claims pending confirmation of the Joint Plan, Jacobsen consents to the reduction of the \$600,000 Set Aside, and to Easy Street’s use of a portion of the \$600,000 Set Aside for such purposes, with the following conditions:

- (i) the \$600,000 Set Aside shall be reduced to an amount that is not less than \$250,000 (the “\$250,000 Set Aside”);
- (ii) in the event that this Court ultimately decides that Jacobsen either owns or has a lien on the funds constituting the \$250,000 Set Aside, Jacobsen shall receive (in addition to that portion of the \$250,000 Set Aside that the Court awards to it) a lien in an amount up to \$350,000 that is pari passu with WestLB on any net proceeds recovered in the new pending adversary proceedings filed by Easy Street against BayNorth Realty Funds, VI, Limited Partnership (“BayNorth”) [Case No.

⁵ All paragraph and other section references are to the Stipulation.

09-02422] and David Wickline, et al. (“Wickline,” together with BayNorth, the “Adversary Proceedings”) [Case No. 10-02401] (the “Jacobsen Lien”);

(iii) Paragraph 21 (regarding the granting of pari passu liens) is hereby amended as necessary to effectuate the Jacobsen Lien; and

(iv) the Jacobsen Lien will be binding and perfected for all purposes without any need for Jacobsen to take any further action to perfect such lien.

6. Copies. Any communications, reports, budgets, or other reporting obligations that Easy Street is required to send to WestLB under the Stipulation or Loan Documents shall be copied to WestLB’s counsel, Richard W. Havel, at rhavel@sidley.com.

7. Reservation of Rights. This Reinstatement and Fourth Extension shall not be deemed to be a consent to any waiver of any Events of Default or Termination Event other than those set forth in the Notice of Termination. At any time, WestLB and its representatives shall be entitled to exercise any or all of their remedies under the Stipulation and Loan Documents as a result of the arising or occurrence of an Event of Default or Termination Event.

8. Previous Agreements. Notwithstanding any changes to the Stipulation effected by this Reinstatement and Fourth Extension and by order of the Court approving this Reinstatement and Fourth Extension (the “Reinstatement and Fourth Extension Approval Order”), the Original Cash Collateral Order shall remain in full force and effect, except as otherwise amended by prior amendments, extensions and approval orders effectuating any amendments and/or extensions.

9. Counterparts. This Reinstatement and Fourth Extension may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

WHEREFORE, Easy Street, WestLB, and Jacobsen by and through the signatures of their counsel below, hereby so stipulate among themselves as set forth herein on the date set forth below and respectfully request that the Court enter the Reinstatement and Fourth Extension Approval Order approving and effectuating their mutual agreements as set forth herein.

DATED this 21st day of June, 2010.

DURHAM JONES & PINEGAR, P.C.

/s/ Kenneth L. Cannon II

Kenneth L. Cannon II
Steven J. McCardell

and

Michael V. Blumenthal
CROWELL & MORING LLP
Counsel for Debtors and Debtors In Possession

DATED this 21st day of June, 2010.

DORSEY & WHITNEY, LLP

/s/ Benjamin J. Kotter

Annette W. Jarvis
Peggy Hunt
Benjamin J. Kotter

and

Richard W. Havel
SIDLEY AUSTIN LLP
Counsel for WestLB, AG

DATED this 21st day of June, 2010.

RAY QUINNEY & NEBEKER, P.C.

/s/ Michael R. Johnson

Michael R. Johnson
Counsel for Jacobsen National Group, Inc.

Exhibit A-1
Budgets for Use of Cash Collateral

ANNEX I

EXHIBIT A-1

Updated Budgets

Exhibit A-1
Budgets for Use of Cash Collateral

Easy Street Partners
June 2010 Budget
Consolidated

Operating Statistics	Jun-10
Hotel Occupancy	55.60%
Transient Occupancy	48.70%
Owner Occupancy	6.90%
Room Nights Occupied	550
ADR	\$ 232.39
% of Project Sold Out	64.20%
Property Management Occupancy	
Transient Occupancy	0
Room Nights Occupied	0
ADR	0
Total Condo Units	0
Hotel & Property Management	
Total Revenues	424,927
Total Operating Expenses	366,328
Net Operating Profit (Loss)	58,599
Total Undistributed Expenses	14,872
Total Owners Rental Commissions	16,541
Profit (Loss)	27,186

Exhibit A-1
Budgets for Use of Cash Collateral

Easy Street Partners
June 2010 Budget

Real Estate Sales

Fractional Units Sold	0
Total Gross Sales	0
Total Costs & Commissions	0
Net Real Estate Profit (Loss)	0

Easy Street Partners

HOA Dues

Residential Dues	34,520
Commercial Dues	20,056
Total Dues	54,576

Administrative & General

ESP Legal & Related	62,500
WLB Legal & Related	50,000
Professional Fees-BDRC monthly fee, travel, accounting	27,000
Professional Fees-Appraisal	22,970
Trustee Charges	5,500
Residential Condominium Property Taxes	
Rent & Other	
Total Administrative & General	167,970

Net ESP Expenses	222,546
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Net Cash Available for Debt	(195,360)
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Interest and Other Bank Payments

West LB Adequate Protection Payment	34,000
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Total Bank Payments	34,000
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Net Cash After Bank Payments	(229,360)
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Exhibit A-1
Budgets for Use of Cash Collateral

Easy Street Partners
June 2010 Budget

Hotel Operations	Jun-10
Hotel Occupancy	55.60%
Transient Occupancy	48.70%
Owner Occupancy	6.90%
Room Nights Occupied	550
ADR	\$ 232.39
% of Project Sold Out	64.20%
Property Management Occupancy	
Transient Occupancy	0
Room Nights Occupied	0
ADR	0
Total Condo Units	0
Revenue	
Hotel Rooms Revenue	125,038
Property Management Revenue	
F&B Revenue	204,929
Spa Revenue	54,160
Sky Club Memberships	30,800
Zoom Rental Revenue	10,000
Total Revenue	424,927
Expenses	
Rooms Division	85,070
Property Management	
Food & Beverage	182,889
Spa	42,589
Facilities	71,079
HOA Credit-Facilities	(51,305)
HOA Credit-Other	(20,574)
Sales & Marketing	56,505
Administration	27,365
Total Expenses	393,618
Net Operating Profit (Loss)	31,309
Management Fees	14,872
Resort Operating Profit (Loss)	16,437
Sky Lodge Owners Rental Commissions	16,541

Exhibit A-1
Budgets for Use of Cash Collateral

Easy Street Partners

July 2010 Budget

Consolidated

Operating Statistics	Jul-10
Hotel occupancy	63.0%
Transient Occupancy	49.6%
Owner Occupancy	13.4%
Room Nights Occupied	644
ADR	\$ 231.63
% of Project Sold Out	64.8%
Property Management Occupancy	0
Transient Occupancy	0
Room Nights occupied	0
ADR	0
Total Condo Units	0
Hotel & Property Management	
Total Revenues	505,975
Total Operating Expenses	418,854
Net Operating Profit (Loss)	87,121
Total Undistributed Expenses	17,709
Total Owner Rental Commissions	34,683
Profit (Loss)	34,729

Exhibit A-1
Budgets for Use of Cash Collateral

Easy Street Partners
July 2010 Budget

Real Estate Sales	Jul-10	
Fractional Units Sold		-
Total Gross Sales		-
Total Costs & Commissions		-
Net Real Estate Profit (Loss)		-
Easy Street Partners		
HOA Dues		
Residential Dues		34,520
Commercial Dues		20,056
Total Dues		54,576
Administrative & General		
ESP Legal & Related		-
WLB Legal & Related		-
Professional Fees - BDRC monthly fee, travel, accounting		33,500
Trustee Charges		-
Residential Condominium Property Taxes		-
Rent & Other		-
Total Administrative and General		33,500
Net ESP Expenses		88,076
Net Cash Available for Debt		(53,347)
Interest and Other Bank Payments		-
West LB Adequate Protection Payment		-
Total Bank Payments		-
Net Cash After Bank Payments		(53,347)

Exhibit A-1
Budgets for Use of Cash Collateral

Easy Street Partners
July 2010 Budget

Hotel Operations

Hotel Occupancy	63.0%
Transient Occupancy	49.6%
Owner Occupancy	13.4%
Room Nights Occupied	644
ADR	231.63
% of Project Sold Out	64.8%

Property Management Occupancy	0
Transient Occupancy	0
Room Nights Occupied	0
ADR	-
Total Condo Units	-

Revenue	
Hotel Rooms Revenue	132,690
Property Management Revenue	-
F&B Revenue	275,516
Spa Revenue	56,969
Sky Club Memberships	30,800
Zoom Rental Revenue	10,000
Total Revenue	505,975

Expenses	
Rooms Division	100,814
Property Management	-
Food & Beverage	214,085
Spa	43,046
Facilities	50,530
HOA Credit - Facilities	(51,305)
HOA Credit - Other	(20,574)
Sales & Marketing	53,598
Administration	28,659
Total Expenses	418,853

Net Operating Profit (Loss) 87,122

Management Fees 17,709

Exhibit A-1
Budgets for Use of Cash Collateral

Resort Operating Profit (Loss)	69,413
Sky Lodge Owners Rental Commissions	34,683

Exhibit A-1
Budgets for Use of Cash Collateral

Easy Street Partners
August 2010 Budget

Operating Statistics

Aug-10

Hotel occupancy	60.9%
Transient Occupancy	54.7%
Owner Occupancy	6.2%
Room Nights Occupied	623
ADR	232.14
% of Project Sold Out	65.3%

Property Management Occupancy	0
Transient Occupancy	0
Room Nights occupied	0
ADR	0
Total Condo Units	0

Hotel & Property Management

Total Revenues	566,429
Total Operating Expenses	437,730
Net Operating Profit (Loss)	128,699
Total Undistributed Expenses	19,825
Total Owner Rental Commissions	38,394

Profit (Loss)	70,480
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Exhibit A-1
Budgets for Use of Cash Collateral

Easy Street Partners
August 2010 Budget

Real Estate Sales	Aug-10	
Fractional Units Sold		-
Total Gross Sales		-
Total Costs & Commissions		-
Net Real Estate Profit (Loss)		-
Easy Street Partners		
HOA Dues		
Residential Dues		34,520
Commercial Dues		20,056
Total Dues		54,576
Administrative & General		
ESP Legal & Related		-
WLB Legal & Related		-
Professional Fees - BDRC monthly fee, travel, accounting		23,000
Trustee Charges		-
Residential Condominium Property Taxes		-
Rent & Other		-
Total Administrative and General		23,000
Net ESP Expenses		77,576
Net Cash Available for Debt		(7,096)
Interest and Other Bank Payments		-
West LB Adequate Protection Payment		-
Total Bank Payments		-
Net Cash After Bank Payments		(7,096)

Exhibit A-1
Budgets for Use of Cash Collateral

Easy Street Partners
August 2010 Budget

Hotel Operations

Hotel Occupancy	60.9%
Transient Occupancy	54.7%
Owner Occupancy	6.2%
Room Nights Occupied	623
ADR	\$ 232.14
% of Project Sold Out	65.3%

Property Management Occupancy	0
Transient Occupancy	0
Room Nights Occupied	0
ADR	-
Total Condo Units	-

Revenue	
Hotel Rooms Revenue	144,757
Property Management Revenue	-
F&B Revenue	317,948
Spa Revenue	62,924
Sky Club Memberships	30,800
Zoom Rental Revenue	10,000
Total Revenue	566,429

Expenses	
Rooms Division	99,965
Property Management	-
Food & Beverage	228,706
Spa	46,073
Facilities	50,555
HOA Credit - Facilities	(51,305)
HOA Credit - Other	(20,574)
Sales & Marketing	54,608
Administration	29,701
Total Expenses	437,729

Net Operating Profit (Loss)	128,700
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Exhibit A-1
Budgets for Use of Cash Collateral

Management Fees	19,825
Resort Operating Profit (Loss)	108,875
Sky Lodge Owners Rental Commissions	38,394